

SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT MEETING NOTICE AND AGENDA

AUDIT COMMITTEE

Tuesday, October 22, 2024, No Sooner Than 10:05 AM

SRP Administration Building
1500 N. Mill Avenue, Tempe, AZ 85288

Committee Members: Nicholas Brown, Chair; Kevin Johnson, District Vice Chair; Larry Rovey, Association Vice Chair; and Robert Arnett, Mario Herrera, Sandra Kennedy, Krista O'Brien, and Stephen Williams

Call to Order
Roll Call

1. **CONSENT AGENDA:** The following agenda item(s) will be considered as a group by the Committee and will be enacted with one motion. There will be no separate discussion of these item(s) unless a Committee Member requests, in which event the agenda item(s) will be removed from the Consent Agenda and considered as a separate itemCHAIR NICHOLAS BROWN
 - Request for approval of the minutes for the meeting of September 24, 2024.
2. Executive Session, Pursuant to A.R.S. §38-431.03(A)(9), in Response to a Request by Director White Jr. for Discussion by Management with Designated Representatives of the Public Body in Order to Discuss Security Plans, Procedures, Assessments, Measures, or Systems Relating to, or Having an Impact on, the Security or Safety of Buildings, Facilities, Operations, Critical Infrastructure Information, and Information Technology Maintained by SRP. JAY SPRADLING
3. Report on Current Events by the General Manager and Chief Executive Officer and Designees JIM PRATT
4. Future Agenda Topics CHAIR NICHOLAS BROWN

The Committee may vote during the meeting to go into Executive Session, pursuant to A.R.S. §38-431.03 (A)(3), for the purpose of discussion or consultation for legal advice with legal counsel to the Committee on any of the matters listed on the agenda.

The Committee may go into Closed Session, pursuant to A.R.S. §30-805(B), for records and proceedings relating to competitive activity, including trade secrets or privileged or confidential commercial or financial information.

Visitors: The public has the option to attend in-person or observe via Zoom and may receive teleconference information by contacting the Corporate Secretary's Office at (602) 236-4398. If attending in-person, all property in your possession, including purses, briefcases, packages, or containers, will be subject to inspection.



THE NEXT AUDIT COMMITTEE MEETING IS
SCHEDULED FOR TUESDAY, NOVEMBER 19, 2024

10/15/2024

MINUTES
AUDIT COMMITTEE

DRAFT

September 24, 2024

A meeting of the Audit Committee of the Salt River Project Agricultural Improvement and Power District (the District) and the Salt River Valley Water Users' Association (the Association), collectively SRP, convened at 11:01 a.m. on Tuesday, September 24, 2024, from the Hoopes Board Conference Room at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona. This meeting was conducted in-person and via teleconference in compliance with open meeting law guidelines.

Committee Members present at roll call were N.R. Brown, Chair; K.J. Johnson, District Vice Chair; L.D. Rovey, Association Vice Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, K.H. O'Brien, and S.H. Williams.

Also present at roll call were President D. Rousseau; Board Members R.J. Miller, P.E. Rovey, and J.M. White Jr.; Council Chair J.R. Shelton; Council Liaisons A.A. Freeman and R.S. Kolb; Council Members M.L. Farmer, E.L. Gorseger, M.C. Pedersen, M.G. Rakow, C. Resch-Geretti, and R.W. Swier; and I.R. Avalos, J.M. Baran, J.A. Baum, J. Broadbent, M.J. Burger, A.P. Chabrier, J.M. Felty, K.M. Golubchik, L.F. Hobaica, R.T. Judd, K.J. Lee, S.J. Lopez, K.L. Morrison, M.J. O'Connor, B.A. Olsen, S.A. Perkinson, J.M. Pratt, K.A. Sigman, D.W. Tennis, and J. Toro of SRP.

In compliance with A.R.S. §38-431.02, Andrew Davis of the Corporate Secretary's Office had posted a notice and agenda of the Audit Committee meeting at the SRP Administration Building, 1500 North Mill Avenue, Tempe, Arizona, at 9:00 a.m. on Friday, September 20, 2024.

District Vice Chair K.J. Johnson served as Chair and called the meeting to order.

Consent Agenda

District Vice Chair K.J. Johnson requested a motion for Committee approval of the Consent Agenda, in its entirety.

On a motion duly made by Board Member M.J. Herrera and seconded by Board Member S.H. Williams, the Committee unanimously approved and adopted the following item on the Consent Agenda:

- Minutes of the Audit Committee meeting on August 20, 2024, as presented.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera's motion to approve the Consent Agenda, in its entirety. The vote was recorded as follows:

YES:	Board Members N.R. Brown, Chair; K.J. Johnson, District Vice Chair; L.D. Rovey, Association Vice Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, K.H. O'Brien, and S.H. Williams	(8)
NO:	None	(0)
ABSTAINED:	None	(0)
ABSENT:	None	(0)

Review of Audit Activity for Three Months Ended July 31, 2024

Using a PowerPoint presentation, Reuben T. Judd, SRP Corporate Auditor, stated that the purpose of the presentation was to review the audit reports and activity for three months ending July 31, 2024. They reviewed the Fiscal Year 2025 audit plan status as of July 31, 2024, including audits completed or in progress. R.T. Judd introduced Kristin M. Golubchik, SRP Senior Manager of Audit Projects.

Continuing, K.M. Golubchik highlighted the audit team’s credentials and introduced Jefry Toro, SRP Senior Auditor.

J. Toro discussed the background, audit approach, key risk areas, and recommendations regarding the Arizona Department of Transportation (ADOT) Broadway Curve Improvement Project audit.

R.T. Judd concluded with a discussion regarding client satisfaction survey comments as of July 31, 2024.

K.M. Golubchik, R.T. Judd, and J. Toro responded to questions from the Committee.

Copies of the PowerPoint slides used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes

Review of Paid Vouchers for Fiscal Year Quarter Ended July 31, 2024 for the District and Association

David W. Tennis, SRP Manager of Treasury Operations and Compliance, presented the paid vouchers for the fiscal year quarter ending July 31, 2024.

D.W. Tennis responded to questions from the Committee.

Executive Session

District Vice Chair K.J. Johnson requested a motion to enter into executive session, pursuant to A.R.S. §38-431.03(A)(2), for presentation and discussion of certain matters included in the paid vouchers report that are exempt by law from public inspection.

On a motion duly made by Board Member M.J. Herrera, seconded by Board Member S.H. Williams and carried, the Audit Committee convened into executive session at 11:21 a.m.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera’s motion to enter into executive session. The vote was recorded as follows:

- YES: Board Members N.R. Brown, Chair; K.J. Johnson, District Vice Chair; L.D. Rovey, Association Vice Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, K.H. O’Brien, and S.H. Williams (8)
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: None (0)

The Committee reconvened into open session at 11:24 a.m. with the following members and others present were President D. Rousseau; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, S.D. Kennedy, R.J. Miller, K.H. O’Brien, L.D. Rovey, P.E. Rovey, J.M. White Jr., and S.H. Williams; Council Chair J.R. Shelton; Council Liaisons A.A. Freeman, and R.S. Kolb; Council Members M.L. Farmer, E.L. Gorsegner, M.C. Pedersen, M.G. Rakow, C. Resch-Geretti, and R.W. Swier; and I.R. Avalos, J.M. Baran, J.A. Baum, J. Broadbent, M.J. Burger, A.P. Chabrier, J.M. Felty, K.M. Golubchik, L.F. Hobaica, R.T. Judd, K.J. Lee, S.J. Lopez, K.L. Morrison, M.J. O’Connor, B.A. Olsen, S.A. Perkinson, J.M. Pratt, K.A. Sigman, D.W. Tennis, and J. Toro of SRP.

Copies of the paid vouchers report used in this presentation are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Review of Purchase Orders, Contracts, and Revisions Equal to or Greater than \$1,000,000

Jaren Broadbent, SRP Director of Purchasing Services, reviewed the Report of Purchase Orders and Revisions Over \$1,000,000 issued for the period May 1, 2024 through July 31, 2024 under authority granted by the Board on September 9, 2019.

J. Broadbent responded to questions from the Committee.

Copies of the handouts distributed are on file in the Corporate Secretary’s Office and, by reference, made a part of these minutes.

Executive Session: Cyber Security

District Vice Chair K.J. Johnson requested a motion to enter into executive session, pursuant to A.R.S. §38-431.03(A)(9), for discussions or consultations with designated representatives of SRP with respect to a confidential cyber security review of SRP’s cyber security strategies specifically regarding the global CrowdStrike issue and

resulting global outages.

On a motion duly made by Board Member M.J. Herrera, seconded by Board Member K.H. O'Brien, and carried, the Audit Committee convened into executive session at 11:28 a.m.

Corporate Secretary J.M. Felty polled the Committee Members on Board Member M.J. Herrera's motion to enter into executive session. The vote was recorded as follows:

- YES: Board Members N.R. Brown, Chair; K.J. Johnson, District Vice Chair; L.D. Rovey, Association Vice Chair; and R.C. Arnett, M.J. Herrera, S.D. Kennedy, K.H. O'Brien, and S.H. Williams (8)
- NO: None (0)
- ABSTAINED: None (0)
- ABSENT: None (0)

J. Broadbent, K.A. Sigman, and D.W. Tennis of SRP left the meeting.

The Committee reconvened into open session at 11:51 a.m. with the following members and others present President D. Rousseau; Board Members R.C. Arnett, N.R. Brown, M.J. Herrera, K.J. Johnson, S.D. Kennedy, R.J. Miller, K.H. O'Brien, L.D. Rovey, P.E. Rovey, J.M. White Jr., and S.H. Williams; Council Chair J.R. Shelton; Council Liaisons A.A. Freeman and R.S. Kolb; Council Members M.L. Farmer, E.L. Gorsegner, M.C. Pedersen, M.G. Rakow, C. Resch-Geretti, and R.W. Swier; and I.R. Avalos, J.M. Baran, J.A. Baum, M.J. Burger, J.M. Felty, K.M. Golubchik, L.F. Hobaica, R.T. Judd, K.J. Lee, S.J. Lopez, K.L. Morrison, M.J. O'Connor, B.A. Olsen, S.A. Perkinson, J.M. Pratt, and J. Toro of SRP.

Report on Current Events by the General Manager and Chief Executive Officer or Designees

There was no report on current events by Jim M. Pratt, SRP General Manager and Chief Executive Officer.

Future Agenda Topics

District Vice Chair K.J. Johnson asked the Committee if there were any future agenda topics. None were requested.

There being no further business to come before the Audit Committee, the meeting adjourned at 11:53 a.m.

Lora F. Hobaica
Assistant Corporate Secretary

